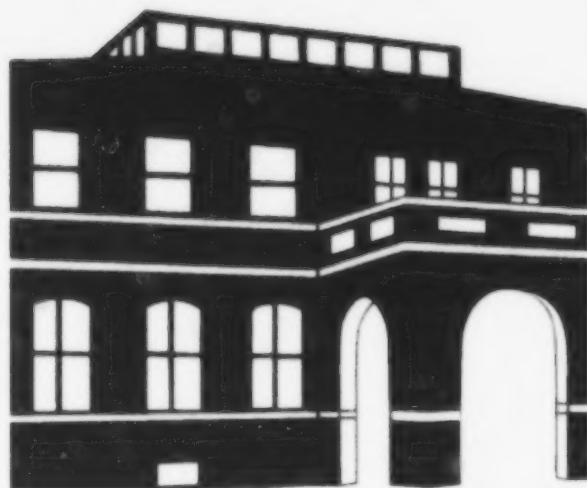


GOVERNMENT

▪ H O U S E ▪

FOUNDATION

ANNUAL REPORT
2008-2009



GOVERNMENT

▪ H O U S E ▪

FOUNDATION

Letters of Transmittal



The Honourable Dr. Gordon L. Barnhart, S.O.M.
Lieutenant Governor of the Province of Saskatchewan

Your Honour:

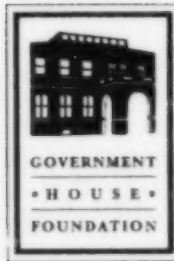
It is my privilege to submit the Annual Report of The Government House Foundation for the period ending March 31, 2009.

The Edwardian Gardens rehabilitation project continues to demonstrate the Foundation's commitment to the preservation and enhancement of Government House as a significant historical destination for school children, tourists, and the general public alike.

Respectfully submitted,

A handwritten signature in cursive script that reads "June Draude". The ink is dark and the signature is fluid.

June Draude
Provincial Secretary



The Honourable June Draude
Saskatchewan Provincial Secretary
Room 204
Legislative Building
Regina SK S4S 0B3

Minister Draude:

It is my pleasure to submit the Annual Report of the Government House Foundation for the period ending March 31, 2009.

The Government House Foundation Board of Trustees is pleased to be a part of the Edwardian Gardens rehabilitation project. This project involves redeveloping the landscape around Government House. We believe this will be appreciated for generations to come.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Charles H. Knight'. The signature is fluid and stylized, with a long horizontal stroke at the beginning and a large, sweeping 'K' at the end.

Charles H. Knight
Chairperson, Board of Trustees

Introduction

The Government House Foundation was established by regulation, under the authority of The Historic Properties Foundation Act, on January 21, 2002. The site in the City of Regina commonly known as Government House was designated as a National Historic Site in 1968 and as a Provincial Heritage Property on August 26, 1981 and is the historic property for which the Foundation was established.

Our National Treasure

Government House is truly a Canadian treasure! Built in 1891, this elegant mansion served as the residence of the Lieutenant Governors of the Northwest Territories, a vast area of 2.5 million square miles, the size of Western Europe. All of present day Alberta, Saskatchewan, a large portion of Manitoba, northern Ontario and northern Quebec, the Northwest Territories, Nunavut and Yukon, were governed from Regina.



Figure 1: Government House, 2008

The Queen Elizabeth II wing, which was funded by the Government House Foundation through private donations, is visible on the left.

Our Goal

The Government House Foundation's primary goal is to preserve and enhance Government House, including its museum and heritage property, as well as to promote public awareness of the historical, educational and cultural value of the property.

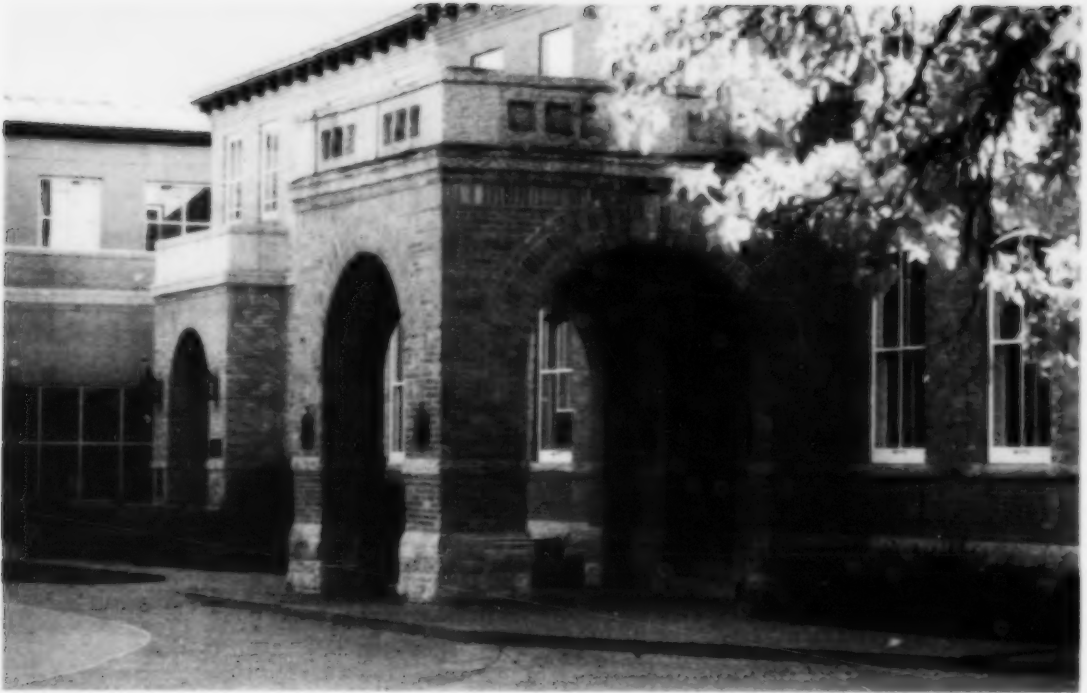


Figure 2: *A view of the grand Portico entrance to Government House.*

Above the Portico is a balcony off of the second floor Morning Room. On nice summer days, the ladies would move their chairs outside to this roof to catch a bit of fresh air and to enjoy the view.

Our Objective

Government House is an educational and historical resource for all of Canada. The Government House Centennial Project continues to contribute toward exciting growth and development of Government House and the surrounding grounds. The expansion and enhancement of this national historic site provides a legacy that proudly symbolizes our province's centennial and this will continue into the future. Ongoing rehabilitation projects will ensure Government House remains a destination of choice for the people of Regina, Saskatchewan, Canada and the international community.

Our Focus

The Government House Foundation has a strong focus on the development and preservation of Government House as a National Historic Site and Provincial Heritage Property.

Figure 3: Government House, 2008

This photograph shows the seamless transition between the original building and the new Queen Elizabeth II wing.



Government House Foundation raised \$2.4 million from private donations to build an addition to Government House, as part of the Government House Centennial project. The Queen Elizabeth II wing was officially opened in 2005.

Currently, the Government House Foundation is financially supporting the rehabilitation of the Edwardian Gardens, on Government House property. The announcement of the Edwardian Gardens rehabilitation project, which was made at the Lieutenant Governor's Garden Party on July 1, 2008, commenced the first phase of the project. The grounds are now in development, and this second phase of the Edwardian Gardens rehabilitation project is expected to be completed in the summer of 2009.

To facilitate such a major initiative, \$1.1 million in joint federal, provincial, and city funding has been obtained through the Urban Development Agreement, which will assist in the recently revised total expected costs of \$1.5 million for the Edwardian Gardens rehabilitation project.

The Edwardian Gardens Rehabilitation Project

The Centennial Project fundraising efforts of Government House Foundation, which allowed for a significant financial contribution to the Government House Edwardian Gardens rehabilitation project, were acknowledged at the Lieutenant Governor's Garden Party, held on July 1, 2008.



Figure 4: Planting a spruce tree in honour of Mr. Charles Knight, Chairperson of the Board of Trustees, Government House Foundation, at the Lieutenant Governor's Garden Party, held on Government House grounds, July 1, 2008.

Left to right: The Honourable D. Wayne Elhard, Provincial Secretary; Mrs. Doris Knight and Mr. Charles H. Knight, Chairperson of the Board of Trustees, Government House Foundation; Their Honours the Honourable Dr. Gordon L. Barnhart, Lieutenant Governor of Saskatchewan, and Mrs. Naomi Barnhart

At the Garden Party, the Lieutenant Governor paid tribute to Mr. Charles H. Knight, Chairperson of the Board of Trustees, Government House Foundation, by planting a spruce tree in his honour. The spruce tree carries historical significance, as in the early years of

Government House, head gardener George Watt, in collaboration with Lieutenant Governor Amedee Forget (1898-1910), planted several thousand spruce trees from Banff as part of his efforts to transform the grounds from bald prairie into an oasis of trees and flowers. It is in keeping with the original design of George Watt's landscape that the Government House grounds will be restored to turn-of-the-century Edwardian gardens.



GOVERNMENT HOUSE
SITE DEVELOPMENT PLAN
REGINA, SASKATCHEWAN

HABITAT DESIGN LIMITED

Figure 5: Plans for the Government House Edwardian Gardens.

The Edwardian Gardens rehabilitation project will see the grounds of Government House restored to turn-of-the-century Edwardian gardens, in keeping with the original design of gardener George Watt.

Government House, head gardener George Watt, in collaboration with Lieutenant Governor Amédée Forget (1898-1910), planted several thousand spruce trees from Banff as part of his efforts to transform the grounds from bald prairie into an oasis of trees and flowers. It is in keeping with the original design of George Watt's landscape that the Government House grounds will be restored to turn-of-the-century Edwardian gardens.

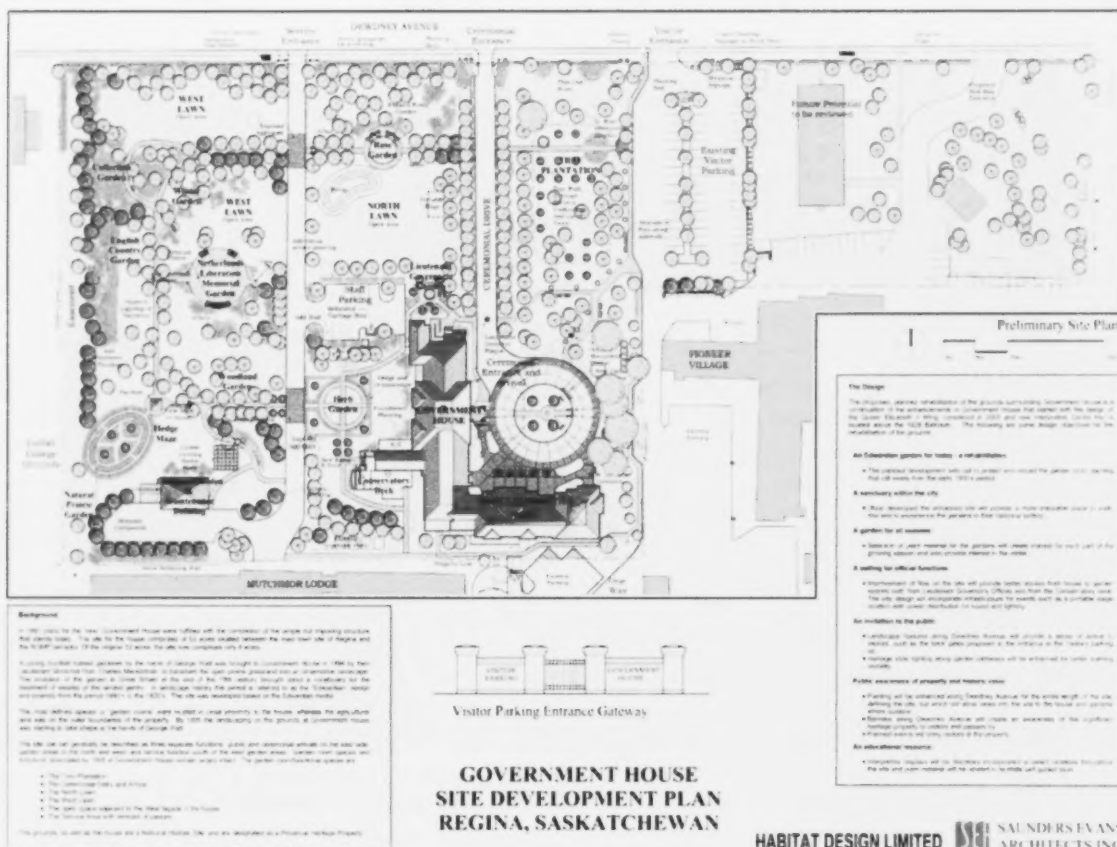


Figure 5: Plans for the Government House Edwardian Gardens.

The Edwardian Gardens rehabilitation project will see the grounds of Government House restored to turn-of-the-century Edwardian gardens, in keeping with the original design of gardener George Watt.



Figure 6: *Their Honours the Honourable Dr. Gordon L. Barnhart, Lieutenant Governor of Saskatchewan, and Mrs. Naomi Barnhart, arriving at the Lieutenant Governor's Garden Party, held on Government House grounds, July 1, 2008.*

This photograph of the party demonstrates both the beauty of Government House as a heritage site and the potential for Government House to grow as a local, national, and international tourist destination.

Our Future Plans

The Government House Foundation will continue to look for opportunities to highlight Government House as a significant piece of Saskatchewan's history, drawing the public's attention to the character and beauty of this National Historic Site and Provincial Heritage Property.

Currently, the Board of Trustees, in conjunction with a donation from the Cameco School Program, is examining ways to make Government House more accessible to school groups throughout the province.

Board of Trustees

The Government House Foundation Board is responsible for the administration of the Foundation. Trustees of the Foundation are appointed by the Lieutenant Governor in Council. The trustees represent business, community, and government interests from across Canada, signifying the national importance of the Government House. As of March 31, 2009, the Board of Trustees was comprised of the following members:

Government House Foundation Board of Trustees

<i>Patron</i>	His Honour The Honourable Dr. Gordon L. Barnhart, S.O.M. , Lieutenant Governor of Saskatchewan
<i>Chairperson</i>	Charles H. Knight , Chief Executive Officer Denro Group of Companies, Regina
<i>Secretary-Treasurer</i>	Lois Salter, CA , Director, Financial Services Office of the Provincial Secretary, Regina
<i>Trustees</i>	The Honourable A. Raynell Andreychuk , Senator Regina and Ottawa Dean Burns , Barrister and Solicitor Calgary W. Brent Cotter, Q.C. , Dean of Law University of Saskatchewan, Saskatoon Paul J. Hill , Chairman, President, and Chief Executive Officer The Hill Companies, Harvard Developments Inc., Regina F. William Johnson, Q.C. , Barrister and Solicitor Regina Amber MacLeod , Regina Fredrick D. (Rick) Mantey , Deputy Provincial Secretary Regina Jacqui Shumiatcher, S.O.M., LL.D. , Regina

Honorary Trustees

The Honourable Dr. Sylvia O. Fedoruk, O.C., S.O.M.
Saskatoon

The Honourable Dr. Lynda M. Haverstock, C.M., S.O.M.
Regina

Karen Jackson, President and Member
Government House Historical Society, Regina

Joyce Johnson on behalf of
The Honourable Frederick W. Johnson
Regina

The Honourable Pamela Wallin, O.C., S.O.M., Senator
Ottawa

Ann Wiebe on behalf of
The Honourable J.E.N. (Jack) Wiebe
Swift Current

Supplementary Financial Information

Personal Services

No individuals received payments for salaries, wages, honorariums, etc.

Supplier Payments

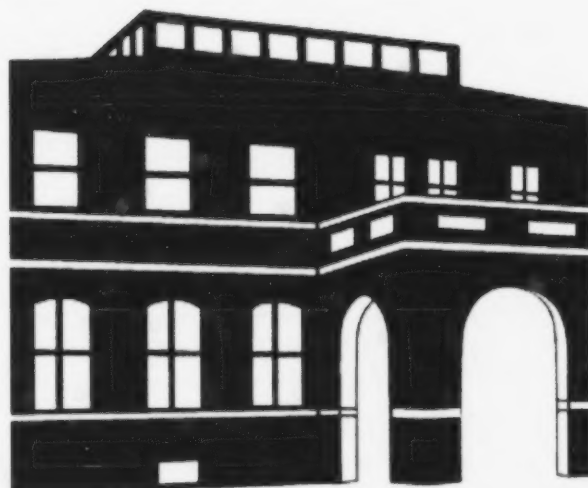
Government Services received \$622,124 for work performed on the Edwardian Gardens project in 2008-2009.

Where to Obtain Additional Information

For further information about the Government House Foundation or to make a donation please contact us:

Executive Director
Government House
Telephone: (306) 787-5720

Government House Foundation
Government House
4607 Dewdney Avenue
Regina SK S4T 1B7



GOVERNMENT

▪ H O U S E ▪

FOUNDATION

Financial Statements
March 31, 2009



Management's Responsibility for Financial Statements

The management of the Government House Foundation is responsible for the preparation and presentation of the financial statements. These statements have been prepared in accordance with generally accepted accounting principles for the public sector in Canada, consistently applied using management's best estimates and judgments where appropriate. Management is responsible for the reliability and integrity of the Financial Statements and other information in this Annual Report.

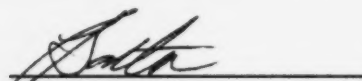
Management maintains a system of internal controls to ensure the integrity of information that forms the basis of the Financial Statements. The internal controls provide reasonable assurance that transactions are executed in accordance with proper authorization that assets are properly guarded against unauthorized use and the reliable records are maintained.

The Provincial Auditor has audited the Financial Statements. His report to the Members of the Legislative Assembly, stating the scope of his examination and opinion on the Financial Statements, appears within this report.

On behalf of Management:



Charles H. Knight
Chair



Lois Salter, CA
Secretary - Treasurer



Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V2

Phone: (306) 787-6398
Fax: (306) 787-6383
Web site: www.auditor.sk.ca
Internet E-mail: info@auditor.sk.ca

SASKATCHEWAN

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Government House Foundation as at March 31, 2009 and the statements of operations and accumulated surplus and cash flow for the year then ended. The Foundation's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
May 13, 2009

Fred Wendel, CMA, CA
Provincial Auditor

GOVERNMENT HOUSE FOUNDATION
Statement of Financial Position
As at March 31, 2009

(in dollars)

	2009	2008
Financial Assets		
Cash due from General Revenue Fund (<i>note 3</i>)	670,438	468,535
Interest receivable	1,075	4,119
Pledges receivable (<i>notes 4 and 6</i>)	19,000	108,880
Total Financial Assets	690,513	581,534
Liabilities		
Accounts payable and accrued liabilities	412,232	-
Deferred revenue (<i>note 5</i>)	19,205	19,205
Total Liabilities	431,437	19,205
Net Financial Assets	259,076	562,329
Accumulated Surplus	259,076	562,329

Contractual obligations (*note 10*)

The accompanying notes are an integral part of these financial statements.

GOVERNMENT HOUSE FOUNDATION
Statement of Operations and Accumulated Surplus
For the year ended March 31, 2009

(in dollars)

	Annual Budget (note 8)	2009	2008
Revenue			
Grant (note 7)	700,000	300,000	-
Donations and pledges	10,000	10,514	50,000
Restricted contributions (note 5)	7,500	-	9,395
Interest	12,000	10,082	19,295
Total Revenue	729,500	320,596	78,690
Expense			
Administration fees	500	1,117	495
Advertising and donor recognition	7,000	-	1,515
Meetings	-	405	-
Printing and courier	300	176	296
Telecommunications	-	27	324
Total Expense	7,800	1,725	2,630
Excess of revenue over operating expense	721,700	318,871	76,060
Contribution towards construction (note 7)	(960,000)	(622,124)	-
Use of restricted contributions (note 5)	(7,500)	-	(9,395)
(Deficit) Surplus	(245,800)	(303,253)	66,665
Accumulated Surplus, beginning of year		562,329	495,664
Accumulated Surplus, End of Year		259,076	562,329

The accompanying notes are an integral part of these financial statements.

GOVERNMENT HOUSE FOUNDATION
Statement of Cash Flow
For the year ended March 31, 2009
(in dollars)

	2009	2008
Operating Activities		
(Deficit) Surplus	(303,253)	66,665
Decrease in receivables	92,924	6,679
Increase (decrease) in accounts payable and accrued liabilities	412,232	(65,740)
Decrease in deferred revenue	-	(9,395)
Cash Provided by (Used for) Operating Activities	201,903	(1,791)
Increase (Decrease) in Cash	201,903	(1,791)
Cash, beginning of year	468,535	470,326
Cash, End of Year	670,438	468,535
Cash consists of:		
Cash from General Revenue Fund	670,438	468,535

The accompanying notes are an integral part of these financial statements.

GOVERNMENT HOUSE FOUNDATION
Notes to the Financial Statements
As at March 31, 2009

1. Authority

The Government House Foundation (Foundation) was established on January 21, 2002 by the Government House Foundation Regulations and falls under the authority of *The Historic Properties Foundations Act*. Government House was designated as a Provincial Heritage Property on August 26, 1981.

The mandate of the Foundation is:

- a) To preserve and enhance the Government House; and
- b) To promote public awareness of:
 - the character, setting and decor of the Government House;
 - the historic and cultural values of the Government House;
 - the significant events in the governance of Saskatchewan; and
 - the history of Saskatchewan generally.

Funding for the Foundation is obtained primarily through gifts, grants, bequests, donations and interest revenue.

2. Significant Accounting Policies

These financial statements are prepared in accordance with generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. A statement of net debt has not been prepared as the information is readily determinable from the other statements. The following accounting policies are considered significant:

a) Revenue

Donations and pledges

Donations are recorded as revenue in the fiscal period in which they are received by the Foundation. Donations-in-kind are recorded at fair market value on the date of their donation.

Pledges are recorded as revenue when written pledge documents are received by the Foundation and there is a commitment to pay prior to the next year-end.

GOVERNMENT HOUSE FOUNDATION
Notes to the Financial Statements
As at March 31, 2009

Restricted contributions

Externally restricted contributions are deferred and recognized as revenue in the year expenses are incurred for the specified purpose.

Interest revenue

Interest revenue is recorded in the year received or receivable.

b) Use of Estimates

The preparation of financial information requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

c) Fair Value

The Foundation's financial instruments include cash due from the General Revenue Fund, interest receivable, pledges receivable, accounts receivable, accounts payable and accrued liabilities. The carrying amount of these instruments approximates fair value due to their immediate or short-term maturity. These instruments have no interest or credit risk.

3. Cash Due from General Revenue Fund

The Foundation's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. The Foundation earns interest on a quarterly basis, calculated on the Government's thirty-day borrowing rate and the Foundation's average daily bank account balance. The Government's average thirty-day borrowing rate for the year was 1.95% (2008 – 4.08%).

4. Pledges Receivable

Pledges receivable are net of an allowance for uncollectible pledges of \$1,000.

GOVERNMENT HOUSE FOUNDATION
Notes to the Financial Statements
As at March 31, 2009

5. Externally Restricted Contributions

Deferred revenue represents funds donated by Cameco Corporation to be used for the Government House Cameco school program.

<i>(in dollars)</i>	2009	2008
Deferred revenue, beginning of year	19,205	28,600
Revenue recognized during the year	-	(9,395)
Deferred revenue, end of year	19,205	19,205

In 2008, *It's A Democracy* board game was developed at a cost of \$9,395.

6. Outstanding Pledges

The Foundation has received signed pledge documents from donors with commitments to pay the Foundation the following amounts in the years listed. These pledges will be recorded as receivable and as revenue in future years.

<i>(in dollars)</i>	2009	2008
2010	-	10,000
Total outstanding pledges	-	10,000

7. Contribution Towards Construction

The current phase of the Government House Centennial Project involves the development of the Edwardian Gardens, which was announced in July, 2008. Construction is expected to be completed in the summer of 2009 with an anticipated cost of \$1.75 million. This will be funded through donations raised for the Government House Centennial Project and an Urban Development Grant of \$1.1 million, of which \$300,000 was received in March 2009.

GOVERNMENT HOUSE FOUNDATION
Notes to the Financial Statements
As at March 31, 2009

8. Budget

The 2008/09 budget was approved at the Annual General Meeting by the Board of Trustees on June 19, 2008.

9. Related Party Transactions

The Foundation is related to all Saskatchewan Crown agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan; Saskatchewan Crown agencies; non-Crown enterprises that the Government jointly controls or significantly influences; and trustees and their corporations over which they have significant control. The Foundation's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. Provincial Sales Tax to the Saskatchewan Ministry of Finance is included in the cost of the related purchases.

The Office of the Provincial Secretary provided administrative services at no charge to the Foundation.

<i>(in dollars)</i>	2009	2008
Pledges receivable	-	49,880
Interest receivable	1,075	4,118
Accounts Payable	412,013	-
Grant revenue	300,000	-
Donations and pledges revenue	14	45,117
Interest revenue	9,794	18,918
Telecommunications expense	27	281
Contribution towards construction	622,124	-

10. Contractual Obligations

As of March 31, 2009 Government House Foundation has entered into commitments with the Ministry of Government Services to contribute \$1.06 million for the Edwardian Gardens project.

